



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

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September 16, 1997

CERTIFIED P 074 977 342
Karen A. Melfi, Asst. Vice President
Land-Governmental Affairs
Summo USA Corporation
900 Denver Center Building
1776 Lincoln Street
Denver, Colorado 80203

Re: Lisbon Valley Copper Project-Reclamation Surety and Contract,
M/037/088, San Juan County, Utah

Dear Ms. Melfi:

Pursuant to your July 16, 1997 correspondence with the Division of Oil, Gas and Mining proposing to change the terms of surety for the above mine to those enumerated in the "Certified Copy of Resolution," I am writing to inform you that such changes can only be accomplished at a hearing of the Board of Oil, Gas and Mining after appropriate notice. My staff had hoped to find a means to accomplish your desired change without notice and hearing, but no remedy within the Utah Mined Land Reclamation Act was found to accomplish this.

This matter could be heard before the regularly scheduled Board of Oil, Gas and Mining hearing set for December 10, 1997, given prompt publication of your desire to revise the permit per the terms of the "Certified Copy of Resolution."

Should you wish to proceed with a permit revision as contemplated in the "Certified Copy of Resolution," please notify Wayne Hedberg, Permit Supervisor or Mary Ann Wright, Associate Director of Mining at the above address.

Sincerely,

Lowell P. Braxton
Lowell P. Braxton
Acting Director

dr
cc: M. Wright
W. Hedberg
D. Moquin, Esq.
p:mist

900 DENVER CENTER BUILDING
1776 LINCOLN STREET, DENVER, COLORADO 80203
TELEPHONE: 303/861-5400 FAX: 303/863-1736

M/037/088

Mr. Anthony A. Gallegos
Sr. Reclamation Specialist
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

[SEAL]

CERTIFIED COPY OF RESOLUTION

At a regular/special meeting of the Board of Directors of Summo USA Corporation ("Company") duly called and held on the 16th day of July, 1997, a quorum being present, the following Resolution was adopted:

WHEREAS, this Company is materially interested in the transaction(s) in which (1) Summo Minerals Corporation, Summo USA Corporation, Lisbon Valley Mining Company LLC, St. Mary Minerals Inc. and St. Mary Land & Exploration Company has applied or will apply to Surety for bond(s) or undertaking(s); and

"WHEREAS, Surety has executed or is willing to consider the execution of such bond(s) or undertaking(s), as Surety, upon being furnished with the written indemnity of this Company; THEREFORE, BE IT RESOLVED, THAT (2) Gregory A. Hahn, President of the Company be and hereby is (are) authorized to execute on behalf of the Company for itself and as Manager of Lisbon Valley Mining Co. LLC, any agreement or agreements of Indemnity required by Surety as a prerequisite to the execution by it of the Bond(s) or undertaking(s) for (1) Summo USA Corporation, Lisbon Valley Mining Company LLC in connection with the matter(s) and transaction(s) described in the agreement of Indemnity required by said Surety, and the proper attesting officer of the Company be and hereby is authorized to affix the corporate seal to such agreement or agreements of Indemnity and subscribe his/her name thereto, attesting the same."

I, Michael A. Charneskie, Secretary of Summo USA Corporation have compared the foregoing Resolution with the original thereof, as recorded in the Minute Book of said Company, and do certify that the same is a correct and true transcript therefrom and of the whole of said original Resolution.

Given under my hand and seal of the Company

in the City of Denver

State of Colorado

this 16th day of July, 1997


Secretary